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ON PAGE 1

SAN FRANCISCO CHRONICLE
20 MAY 1978
STAT

KGB Spying in Bay Area

Private Phone Calls Monitored

By William Moore

Viewed from the outside, the seven-story brick building that houses the Soviet consulate here is the very picture of detente. It looks as peaceful and lofty as its surrounding Pacific Heights neighborhood.

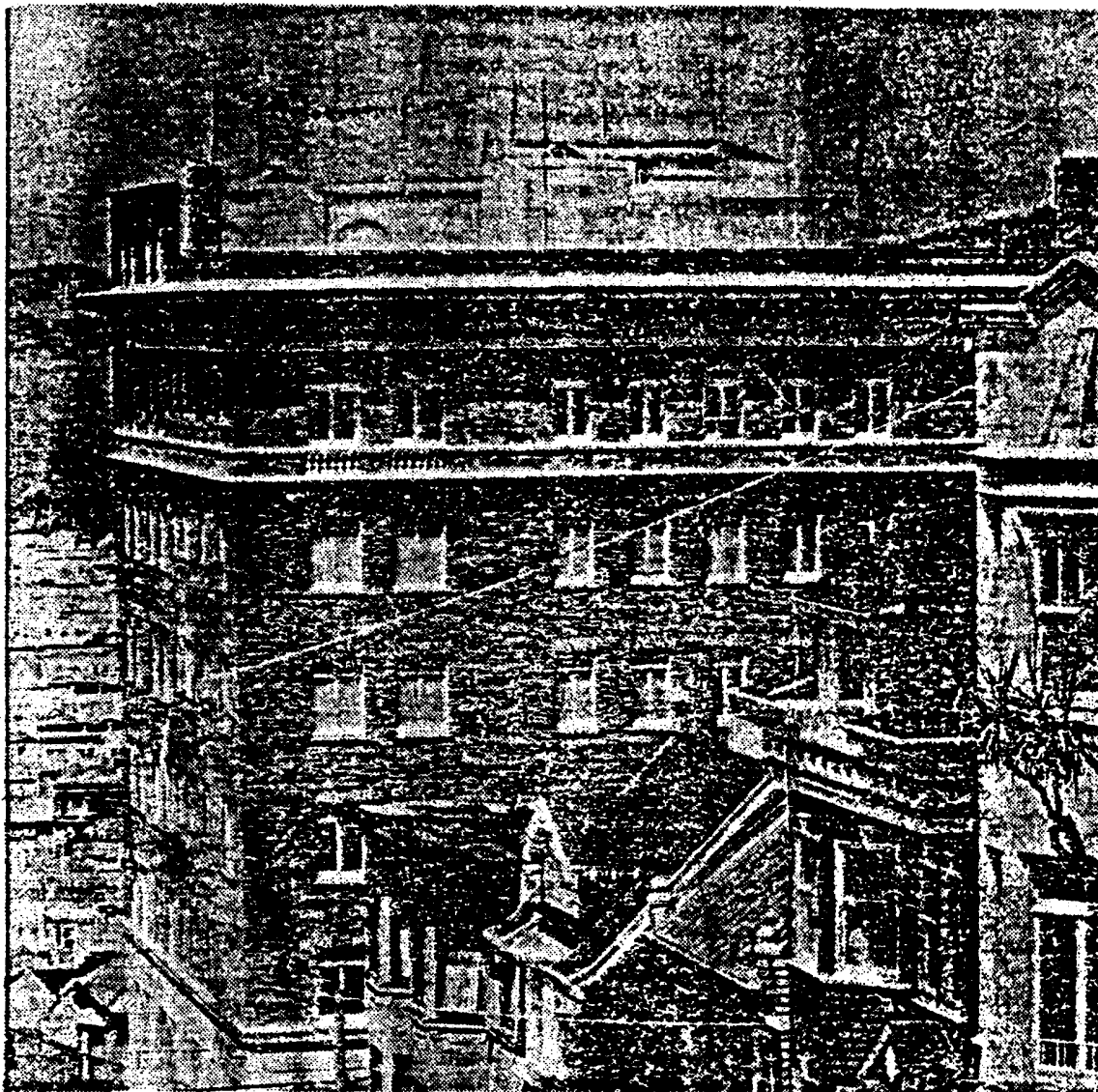
But in this unlikely setting, the only Soviet consulate in the country outside of Washington has become a major base for espionage activity that U.S. counterintelligence authorities report has escalated precipitously in the past few years.

Somewhere between 14 and 27 of the consulate's 42 employees are now believed by American officials to be agents of the KGB, the world's largest intelligence outfit.

Among their activities, they are using electronic monitoring devices to eavesdrop on thousands of long-distance telephone calls made by private citizens in the Bay Area, knowledgeable sources in Congress and the Carter administration have told The Chronicle.

The interception and recording of phone calls relayed by microwave — which constitute the bulk of U.S. long-distance traffic — reportedly are also being conducted at the Soviet embassy in Washington and a field office in New York.

"We discovered several years ago that they had this capability, but we did not fully realize the magnitude of what was going on for some time," said a White House official who, like many other U.S. government sources interviewed, requested anonymity.



The Russian Consulate on Green and Baker streets in San Francisco

By Vincent Maggione

It also appears that U.S. electronics intelligence experts monitoring the Russians can themselves conduct massive eavesdropping on private American citizens at the same time.

"The National Security Agency is monitoring what the Russians are hearing," said a Congressional

source with ties to the Senate Intelligence Committee. "Apparently the NSA has a way of piggybacking. They know what is being received by the Russian machines, and they can record it."

Asked to confirm or deny this, a White House official responded only "no comment."

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